

Message Text

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ACTION EUR-12

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SUBJECT: LABOR REACTION TO GOI'S LABOR COST REDUCTION DECREE

REF: ROME 1940

1. SUMMARY. DESPITE ANGRY REACTIONS AND STRIKE ACTION BY LOCAL
UNIONS, NORTHERN PROVINCIAL FEDERATIONS AND NATIONAL INDUSTRIAL
UNIONS, ITALY'S NATIONAL LABOR LEADERSHIP DECIDED FEB. 8 TO
REACT CAUTIOUSLY TO THE GOI'S LABOR-COST-REDUCTION DECREE
(REFTEL). THE CGIL-CISL-UIL NATIONAL FEDERATION (CCU) DECIDED
AGAINST A NATIONWIDE GENERAL STRIKE. INSTEAD, CCU PLANS TO MEET
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WITH THE POLITICAL PARTIES FEB. 16 AND ASK THEM TO MODIFY THE
DEGREE IN PARLIAMENT. REPORTEDLY, CGIL COMMUNISTS, CISL CHRISTIAN
DEMOCRATS AND UIL REPUBLICANS SHARPLY OPPOSED USELESS GESTURES
WHICH MIGHT THREATEN, OR GIVERA PRETEXT TO THOSE WHO THREATEN,
THE ANDREOTTI GOVERNMENT'S SURVIVAL, WHILE UIL AND CGIL
SOCIALISTS WERE FLEXIBLE, LEAVING CISL'S MILITANT LEFT ISOLATED
IN ITS INTRANSIGENCE. END SUMMARY.

2. THE CCU SECRETARIAT MET FEB. 8 TO DECIDE HOW TO REACT TO THE GOI'S LABOR-COST-REDUCTION DECREE, WHICH REMOVES VALUE ADDED TAX INCREASES FROM COVERAGE BY THE WAGE ESCALATOR AND PENALIZES NEGOTIATED COMPANY-LEVEL WAGE INCREASES. THE THREE GENERAL SECRETARIES, LAMA, MACARIO AND BENVENUTO, PRESENTED A UNITED RECOMMENDATION FOR A TWO-HOUR GENERAL STRIKE.' THIS WAS STRONGLY OPPOSED FROM THE FLOOR BY CISL MODERATE LEADER MARINI, BY THE CGIL'S LEADING COMMUNIST SPOKESMAN, SCHEDA, AND BY UIL REPUBLICANS LEADER VANNI, AND OTHERS. MARINI CALLED A STRIKE POINTLESS AND WITHOUT RANK-AND-FILE SUPPORT. SCHEDA WARNED AGAINST LETTING THE UNIONS BE THE SCAPEGOAT FOR ANDREOTTI'S FALL. LAMA REPORTEDLY QUICKLY BACKED DOWN AND JOINED SCHEDA. AFTER CGIL SOCIALIST MARIANETTI AND OTHERS HAD SUPPORTED STRIKE ACTION, THE SOCIALISTS AGREED THAT THE UNIONS SHOULD AVOID BEING AN ALIBI FOR ANDREOTTI'S FALL AND SO SHOULD AVOID STRIKE ACTION AND RELY ON THE PARTIES TO MODIFY THE OBJECTIONABLE PARTS OF THE DECREE. CISL MILITANT O H CARNITI (ACCORDING TO SOME REPORTS BACKED BY CISL SEC GEN MACARION AT LEAST AT FIRST) WAS LEFT ISOLATED FAVORING BOTH A NATIONAL GENERAL STRIKE AND REPUDIATION OF THE CCU-CONFINDUSTRIA AGREEMENT AN EARLIER CISL COMMUNIQUE AND A CARNITI PRESS INTERVIEW HAD ADVOCATED BOTH OF THESE RESPONSES.

3. INSTEAD OF A NATIONAL GENERAL STRIKE, CCU DECIDED TO HOLD 2-HOUR ASSEMBLIES AT ALL WORK PLACES, REQUEST A JOINT MEETING WITH ALL THE POLITICAL PARTIES OF THE "CONSTITUTIONAL ARC" (PLANNED FOR FEB.16) AND, AFTER THAT, A MEETING WITH PM ANDREOTTI TO CLARIFY UNION-GOVERNMENT UNDERSTANDINGS ON ECONOMIC, SOCIAL AND FISCAL POLICY TO FIGHT INFLATION, AND FAVOR PRODUCTION, LIMITED OFFICIAL USE

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INVESTMENT AND EMPLOYMENT. CCU LEFT PROVINCIAL FEDERATIONS FREE TO DECIDE ON ANY LEVEL STRIKE ACTION THEY FELT APPROPRIATE, WHILE THEY ARE ARRANGING THE WORKPLACE ASSEMBLIES.

4. SPONTANEOUS ONE OR TWO HOUR STRIKES BEGAN IN MANY MAJOR NORTHERN INDUSTRIAL PLANTS FEB.7 AND MILAN AND TURIN CCU FEDERATIONS AND REGIONAL METAL WORKERS OFFICIALS ARE ENCOURAGING CONTINUING STRIKES THIS WEEK. THE NATIONAL METAL WORKERS FEDERATION (FML) IS CALLING A TWO-HOUR GENERAL STRIKE FEB.11. THE FML CRITICIZED THE CCU DECISION AS OVERLY CAUTIOUS. OTHER NATIONAL UNIONS ARE ALSO CONSIDERING GENERAL STRIKES.

5. COMMENT. THE COMMUNIST PARTY (PCI) THROUGH SCHEDA, ITS RESPECTED, HARD LINE VOICE IN THE CGIL, HAS MOVED DECISEVELY TO PREVENT A UNION REACTION WHICH MIGHT ENDANGER THE ANDREOTTI GOVERNMENT. TO DO SO, THE PCI AND ITS CHIL LEADERSHIP ARE ABSORBING AND WILL ABSORB CONSIDERABLE HEAT FROM A RANK-AND-FILE UPSET AT ANDREOTTI'S SURPRISE "TAMPERING" WITH THE WAGE ESCALATOR SYSTEM, DESPITE WHAT THEY FELT WERE HIS ASSURANCES NOT TO AND

PENALIZATION OF COMPANY LEVEL WAGE INCREASES. BY DOING SO, THE PCI IS BUILDING UP CONSIDERABLE CREDIT AND RESPECTABILITY IN OTHER CIRCLES, FOR LATER USE. CONTROVERSIAL UIL SEC GEN BENVENUTO PLAYED A QUIETER, MORE FLEXIBLE AND MODERATE ROLE THIS TIME, PRESUMABLY AT SOCIALIST PARTY (PSI) URGING LEAVING THE INTRANSIGENT POSITION TO CARNITI AND ALLEGEDLY, TO SOME EXTENT, TO MACARIO. MARINI MAY HAVE STRENGTHENED HIS STATURE AS A PROSPECTIVE FUTURE CISL SEC GEN. THE UNIONS WILL NOW BE COUNTING ON "THEIR" POLITICAL PARTIES, PRINCIPALLY THE PCI AND PSI, TO MODIFY THE DECREE IN PARLIAMENT.

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